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In re	:	
	:	
ZHANG MEDICAL P.C. d/b/a	:	
	:	Case No. 23-10678-pb
NEW HOPE FERTILITY CENTER,	:	
	:	Sub-Chapter V Chapter 11
	:	
Debtor.	:	

DECLARATION OF ADNAN TAHIROVIC

Adnan Yahirovic declares as follows pursuant to 28 U.S.C. § 1746:

1. I am the Debtor's Chief Operating Officer and fully familiar with the Debtor's operations and the facts set forth herein. The Debtor leases the entire second, third, fourth and fifth floors in the building known as Four Columbus Circle, located in New York County, pursuant to an Agreement of Lease dated December 31, 2018 and amendments thereto (collectively, the "Lease") with GLL BVK Columbus Circle LLC (the "Landlord"). Prior to entering into the Lease, the Debtor operated from the third and fourth floors in the building for many years. Each floor consists of approximately 18,000 square feet of space. The base rent under the Lease is approximately $409,000.00 per month.

2. In late 2018, the Debtor entered into the Lease and expanded its occupancy to two additional floors: the second and fifth floors. The Debtor has a small lab located on the second floor, that occupies less than 1,000 spare feet, but does not utilize the fifth floor. The Debtor

intended to attempt to sub-let the second and fifth floors but it has been unable to do so since it entered into the Lease.

3. The Debtor suffered a loss of revenue during the COVID-9 business shut-down and has not restored its gross revenue to pre-COVID levels. The Debtor was unsuccessful in its pre-petition efforts to surrender the second and fifth floors to the Landlord. The Debtor's bankruptcy filing was caused by the Debtor's inability to meet its rental obligations to the Landlord under the Lease. The Landlord is the Debtor's largest creditor.

4. I have been intimately involved in the Debtor's efforts to prepare cash flow projections to support a plan or reorganization and the Debtor's efforts to take steps to reduce its costs and increase its revenue, both before and after the bankruptcy filing. I have reviewed the Debtor's historical books and records with its accountant and Medical Director and confirmed that since the COVID-19 business shut-down, the nature of the Debtor's practice has changed. The Debtor has experienced a thirty percent increase in virtual patient appointments and a decrease in office visits. As a result, the Debtor no longer utilizes all of the space it occupies on the third and fourth floors.

5. I, along with the Debtor's Chief Executive Officer Chloe Cai, have spent many months speaking to real estate brokers, visiting possible sites to relocate the Debtor's operations, and ascertaining the cost and regulations involved in relocating the Debtor's business, its equipment, and its human gametes to another location. We have identified more than one location that is suitable for the Debtor's operations that I estimate would save the Debtor no less than $200,000.00 a month in rental obligations. Since the Lease expires in 2035, I estimate that the relocation will result in a savings of approximately $29,000,000.00 in rental costs for the

Debtor through 2035: the year the Lease expires.

6. The Debtor filed its Chapter 11 petition because it simply can not sustain the economic drain upon its revenue that has resulted from its obligations to the Landlord to pay for space the Debtor can not use to generate revenue. The Debtor shall immediately surrender its occupation of the fifth floor and will remove the small lab that occupies less than 1,000 square feet on the second floor. The Debtor has paid the Landlord the full amount of base rent due for May and June but it is entering a two month period – July and August – in which its revenue decreases significantly. The continued payment of the full amount of base rent for space it is not utilizing is a significant drain on the Debtor's operations and does not provide a benefit to its creditors. The Debtor understands that it shall be under the obligation to pay for the use and occupancy of the floors it occupies that benefits the bankruptcy estate until it vacates the premises.

7. The Debtor must do what is in the best interests of its patients, creditors and the bankruptcy estate. The Debtor has the ability to provide services from other locations in a relatively short period of time at a substantially lower amount of monthly rent. The Debtor estimates a five to ten percent drop in revenue during the relocation but believes that the long term cost-savings of terminating the Lease will outweigh the temporary loss of income and the cost of the relocation. The Debtor's relocation will not impact the services it renders to patients virtually and in other states.

8. A rejection of the Lease will increase the amount of the Landlord's unsecured claim against the Debtor but the Debtor's disposable income will increase as a result of the relocation and should assist it in increasing the monetary amount the Debtor can pay unsecured creditors under a plan of reorganization. The rejection of the Lease, under the present

circumstances, constitutes a sound business judgment by the Debtor that will ensure that it can n continue to meet its obligations as they become due and should help ensure the Debtor's viability as a going concern.

I declare under the penalty of perjury that the foregoing is accurate and true.

June 30, 2023
New York, New York

Adnan Taharovic
Adnan Tahirovic